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ABSTRACT

A study investigates the governance roles of trustees in four private colleges that were victims of fiscal pressures common to independent colleges and that did not survive. The primary concern is with the board's role prior to failure, the responsibility they bore for what happened, and the opportunities for service they may have overlooked. Eight surviving private colleges were also surveyed, and statistical comparisons were made. Characteristics of the defunct institutions' board members were found to include: role uncertainty; confrontation avoidance; personal characteristics almost identical to those of trustees whose institutions survived; fund-raising patterns identical to the other trustees; policy priorities similar to those of other trustees; a lower degree of involvement in both development and implementation of college policies in eight of fourteen policy areas. (Author/MSE)

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TRUSTEES AND COLLEGE FAILURE:
A Study of the Role of the Board in Four Small College Terminations

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PREFACE

The fiscal adversity besetting higher education over the past several years probably has affected no group of institutions more than those within the private sector. Many independent colleges have been faced with far more than weathering a storm; they have been confronted with the challenge of survival.

The advent of fiscal uncertainty has brought with it at least one plus, however, and that is the recent increase in attention which has been given to the plight of the private sector and the several proposals for dealing with the new austerity. A relatively wide range of issues and concerns have been aired including the appropriateness of state and federal policies relating to independent colleges (NCICU, 1974; Jonsen, 1975), the extent and reliability of data available for assessing the financial health of the private sector (Bowen and Minter, 1975 and 1976), and the investigation of more efficient uses of resources by private college administrators faced with the conditions of steady state (Bowen and Douglas, 1971; Hruby, 1973; et. al.).

Despite this increased discussion, however, extremely little attention has been focused on the part played (or to be played) by boards of trustees in response to the new circumstances. The research reported here has sought to begin closing this gap by investigating the governance roles of trustees in four private colleges which were

victims of the pressures impinging on the independent sector and did not survive.

Our primary interest has been in trying to discover the role played by the boards of these institutions prior to failure, the responsibility they bore for what happened, and the opportunities for service they may have overlooked that possibly could have resulted in different outcomes. In many respects, the appropriate analogue for what we have done is the post-mortem in medicine. Like the pathologist, we have undertaken the analysis of death not out of morbid curiosity but rather an interest in improving the health of the living. Specifically, we have sought a means of strengthening the performance of boards of trustees of private institutions struggling with the present conditions.

We wish to gratefully acknowledge and thank the following individuals connected with The University of Toledo College of Education and Center for the Study of Higher Education for their valuable assistance at various times during the course of this project: Reese R. Baumann, George E. Dickson, Kathy L. Haefner, Frederick W. Kanke, Jr., Newton G. Rechte, John H. Russel, Frederick G. Sieber, III, Richard E. White, Duane E. Whitmire and William Wiersma, Jr. In addition, a special note of thanks is due all those trustees who participated in the study, especially those who recounted for us the often painful experiences associated with terminating a college. We also wish to acknowledge the support of The Association of Governing Boards of Universities and Colleges which made this research possible, and in particular, Wayne Anderson for his patience and support. To these persons and others goes a good deal of whatever merit the study may possess. The responsibility for its shortcomings, however, most assuredly is ours.

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INTRODUCTION

The Context of Trustee Participation Today

It has been remarked that steady state for all can be particularly trying for some (Kerr, 1975, p. 6). The recent failure rate of private colleges would seem to be clear testimony to the truth of this statement. According to one recent count, 77 independent colleges either closed, merged, or "went public" between 1970 and 1975 (NCICU, 1975). One other analysis has placed the number of failures as high as 138 (Anderson, 1975).

These data are consistent with broader trends that appear to signal a general erosion within the independent sector and make up the context in which trustee performance is to be judged.

The major dimensions of the present difficulty by now are well known. Although the number of students served by higher education has doubled in the score of years between 1950 and 1970, the independent sector's share of total enrollment has declined from over 50 percent to almost 25 percent (Jonsen, 1975, et.al.). According to several models projecting future trends, enrollments for all of higher education either will drop by one-third by 1985, drop by one-third by 2000, or continue the present rate of slowed growth through the mid-nineties (Carnegie Foundation for the Advancement of Teaching, 1975). Only two projections have enrollments going up significantly, and both of these assume major

structural changes would be the primary stimulant (Bowen, 1974; Leslie and Miller, 1974).[1] One recent analysis has indicated that all classes of institutions (both public and private) in 1974-75 had negative growth rates in terms of constant dollar expenditure per FTE student (Lanier & Andersen, 1975, p. 75f). Another study has indicated that up to 27 percent of all independent colleges and universities may be in "serious distress" (Bowen and Minter, 1975, p. 71), while yet another has reported that 86.6 percent of all institutions in the private sector are "relatively unhealthy" or "unhealthy" (Lupton, Augenblick, and Heyison, 1976).

Recent assurances that independent higher education as a whole is not in immediate, serious jeopardy (Bowen and Minter, 1975, 1976) may be justified, but the long term appears ripe for a continuation of the progressive deterioration of recent years.

The Need for Trustee Guidance

Remarkably, there has been relatively little investigation of what trustees are doing in response to these conditions; almost no research has been directed at assisting boards develop new roles, or strengthen old ones, in the face of the present challenge.

What trustees mostly have heard for over a decade is criticism. They have been criticized for not understanding the difference between educational and corporate enterprise (Zwingle, 1974), for not spending enough time to be informed (Rauh, 1969 and Budd, 1974), for having no interest in exercising authority (Manne, 1972), for a basic lack of role

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[1]Bowen's (1974) estimate actually is offered only as a "possibility" not a projection.

clarity and general incompetence (Zwingle 1974), for being a barrier to rational progress (Galbraith in Rauh, 1969), for having too narrow a representation (Rauh, 1969), for failing to exert any leadership (Greenleaf, 1974), and for lacking a sense of corporateness among members which has tended to dissipate board effectiveness (Zwingle, 1974). Trustees also have been told their legitimate concerns run the gamut from college purposes to disciplinary procedures to endowment performance, and that they possess virtually unlimited authority but that too often they have underutilized it to the detriment of their institution (Rauh, 1969).

Greenleaf (1974) suggests that board performance today may manifest an underlying confusion about the trusteeship role. If this assessment is correct, then a need exists for empirically-derived models of effective board behavior. Moreover, the need may be particularly acute within many so-called "invisible colleges" struggling for survival amidst the current pressures. This study recognizes and attempts to respond to this growing need for more adequate trustee guidance.

Focus of the Research

The focus of the research reported here was the composition and policy-related actions of boards of trustees in four private colleges that terminated independent operations. Three parallel investigations were undertaken. First, case histories of each institution were constructed from a global perspective as a means of identifying critical problems and decision points as well as general board behavior in each scenario of failure. Second, board membership data and participation rates were analyzed and compared with comparable information from boards

of eight surviving private institutions. Finally, trustee perceptions of the degree of board involvement in policy development and implementation during the final two years of each college's existence were investigated and once again compared with parallel data from trustees in eight surviving institutions.

Three broad questions guided the inquiry:

- What were the basic circumstances surrounding failure in each instance and what was the relationship of the board to these circumstances?
- What primary deficiencies of board makeup or performance (if any) existed which could have contributed to failure?
- What lessons were learned that could be of benefit to active trustees today?

These general questions led naturally to a number of more specific items for investigation. Among them were the following: Were there any similarities in board behavior running through the four scenarios of failure? Did the trustees of defunct institutions differ significantly in terms of background characteristics (sex, age, religious affiliation, education, income) from trustees of comparable living institutions? Were there differences in the amount of time spent in the trusteeship role by board members in defunct and living institutions? Were there differences in the amount of time allocated to fund raising activities by trustees in the two groups? Did trustees of surviving institutions raise more money during a comparable period of time than trustees of colleges that failed? Did trustees of defunct institutions differ from their counterparts in surviving colleges in their degree of involvement in the development and implementation of college policy? Were there any important differences between trustee groups in terms of their priorities for policy involvement in their respective colleges?

Organization of the Report

This section has included an introduction to the problem and indicated the context of trustee action today within the private sector. We also have outlined the major questions posed in the research.

The following section outlines the approach to data collection utilized and briefly describes the prodedures adopted for sample selection, questionnaire design and administration, and on-site visits.

Section three provides thumbnail sketches of the primary events surrounding each failure, followed by a more detailed case study of each institution.

After the college histories, questionnaire results are presented, emphasizing the comparative patterns that emerged.

Finally, the major findings and implications of the research are summarized and discussed in the last section. A few key recommendations, based on the data, are offered.

STUDY DESIGN

The research utilized a two-pronged approach to data collection. First, a questionnaire was designed and sent to trustees of the four defunct institutions selected for study and a comparative sample of trustees from eight still-surviving independent colleges of roughly comparable size and location.[2] Second, an extensive field investigation was conducted involving document analysis and interviews with both administrators and trustees from the four-college sample. The primary purpose of the questionnaire was to gather background data for the two groups of trustees and to solicit estimates of board involvement in policy development and implementation within fourteen broad areas of potential concern. (Appendix A and B) The chief purpose of the interviews was to solicit a board perspective of the four scenarios of failure.[3]

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[2]By "roughly comparable size" we mean small colleges between 800 and 2500 enrollment. None of the four institutions studied in-depth closed its doors on a large student body. However, each college at one time had supported (or had projected) enrollments falling within this range.

[3]An administrative perspective of failure was already available to us as a result of earlier field investigations by members of a research team connected with The University of Toledo Center for the Study of Higher Education. The combined results of the earlier work and our own investigations appear in the college histories found below. We are indebted to Frederick W. Kanke, Jr., Frederick C. Sieber, III, and Duane E. Whitmire for their willingness to share their data and insights with us.

The Four-College Sample (Defunct Institutions)

A non-probability sample of four colleges that changed status between 1970 and 1974 was drawn on the basis of size, location, type of control, and ultimate fate, and on the basis of having certain characteristics that, at least from outward appearances, would not have indicated failure.[4] While it is true that there have been no "Penn Centrals" in higher education (Bowen & Minter, 1975), not all institutions that have failed were excessively small or excessively underfinanced, at least not prior to their final days. The four colleges selected for study were, in many respects, not greatly different from many institutions that continue to function today.

Two of the colleges included in the sample represented the "old line" in higher education in that both were founded prior to 1900. Both were accredited by their respective regional associations. The remaining two colleges represented the "new line" in higher education, having opened their doors during the 1960's. Neither of these institutions was accredited, although one was near provisional status when forced to close. Two of the institutions were located in the area accredited by the Southern Association of Colleges and Schools, while the remaining two were located in the area served by the North Central Association. Two of the four were affiliated with denominational groups; two were independent. Two of the institutions were moderately well or well-financed, while the remaining two were less well-financed but had the united support of their communities. One of these latter colleges had the added backing of its denomination.

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[4]None of the colleges studied have been named in this report in order to protect the anonymity of former trustees and administrators who shared their thoughts and insights with us.

The Eight College Sample (Surviving Institutions)

A random, stratified sample of eight institutions was drawn from the April 1976 list of member institutions of the Association of Governing Boards of Colleges and Universities. The sampling procedure involved initial stratification by geography after which four institutions were selected at random from the colleges located in both the Southern and North Central regions. The random sampling represented approximately one in nine institutions.

The sample included four institutions located in the area accredited by the North Central Association of Colleges and Secondary Schools, and four institutions under the aegis of the Southern Association of Colleges and Schools. All eight institutions were regionally accredited.

Enrollments in these liberal arts colleges ranged from 744 to 2,701 students, with a mean of 1,467.

Seven of the eight institutions were co-educational; one had an all-female student body.

Four of the eight surviving colleges were formally affiliated with religious organizations. The remainder professed no formal religious affiliation.

A Bachelors degree was the highest degree conferred by each of the eight institutions. Academic programs of the selected surviving colleges centered on general liberal arts education and programs of teacher preparation. It is not suggested that these colleges may be the next victims of the current trend (if it can be called a trend).

Questionnaire

A thirty-seven item questionnaire (Appendix A) was designed and

mailed to all trustees of the twelve colleges included in the two samples. The purpose of the questionnaire was to gain comparative information about the backgrounds of the trustees identified with the institutions as well as information regarding their levels of participation, both individually and collectively, in a wide range of policy areas.

In addition to a request for basic demographic data (sex, age, educational attainment, religious affiliation, and income), respondents were asked to estimate their personal contributions, in both time and money, to the colleges served.[5]

The remainder of the questionnaire focused on the behavior of the full board in the domain of college policy. Respondents were asked to characterize the amount of involvement of the board in both the development and implementation of policy in fourteen areas: selection of the president, selection of other administrative officers, selection of faculty, selection of trustees, college wage scales, retirement plans, admissions, academic programs, student life, annual budget, investments, fund-raising, long-range planning, and alumni affairs. In each case, respondents were offered a five-item scale ranging from low to high involvement.

The questionnaire was pilot tested with the assistance of the board of trustees of a nearby institution that recently had closed. Ninety-five percent of the trustees included in the pilot study completed the preliminary questionnaire and provided comments.

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[5]Trustees of defunct institutions were requested to provide this information on the basis of the two years immediately preceding the final decision to abandon private status. Trustees of surviving institutions were asked to provide the information on the basis of "the last two years."

Questionnaires were mailed to 124 trustees in the four-college sample of defunct institutions and 223 trustees in the eight-college sample of surviving colleges. A total of 200 usable responses were returned by trustees of both samples for an overall response rate of 57.6 percent. Seventy-one usable respondents were received from trustees in the four-college sample for a response rate of 57.3 percent, and 129 from the eight-college sample for a response rate of 57.8 percent. Both follow-up postcards and second mailings of the questionnaire to late respondents were made in an effort to secure as high a response rate as possible.

The response rate and N for the two samples was considered adequate to draw statistical comparisons.

Interviews

A series of on-site interviews with selected trustees in the four-college sample was conducted over a two-week period. The purpose of the interviews was to gain insight into the specific circumstances of failure in each case and to determine whether a board perspective could be detected that was different from the perspective of former administrators.[6] As a minimum, the former board chairman and at least one other member of the board executive committee of each college was contacted. In addition, as time and funds permitted, additional board members residing in the area where the colleges were located were contacted and interviewed.

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[6]See note 3 this section.

COLLEGE HISTORIES

COLLEGE A

Although it had a small student body and a rigid, traditional liberal arts curriculum, College A had long-survived through difficult years. According to several former officials, the proven administrative abilities of a president who had served the college for almost 30 years had had much to do with the college's past viability. When ill-health forced his retirement, trustees were unable to find an administrator of equal ability to replace him. After the appointment of a respected academician, College A witnessed enrollment decreases, political and philosophical divisions within the ranks of the theretofore united faculty, an erosion of community support for the institution, and serious mismanagement of the severely limited college budget.

Trustees, cognizant of the futility of further attempts to preserve the independent status of College A, appointed another president who had previously demonstrated a mastery of business techniques and instructed him to undertake efforts to make the college a vital member of a quickly-developing state system of higher education.

College A, one of the oldest institutions in the nation, was founded in the late eighteenth century to provide "the proper education of youth...essential to the happiness and prosperity of every community."

A history of the College indicated a traditional liaison between the institution and the social and intellectual elite of the community. "It was rigorous in its selectivity, demanding in its prerequisites; over the years it educated only a small fraction of the graduates of the local schools." College A served the community "not by offering all

things to all people, but by educating the most intelligent and best prepared segment of that community... It always prided itself on holding the highest possible standards in relation to the region where it is located. In the service of its community, the College... never lost sight of a still higher loyalty to the academic ideals." This "higher loyalty to academic ideals" was cited by former college officials as one primary cause of the demise of College A as a private institution.

The academic year 1967-1968 marked the last full year of the existence of College A as a private college. An examination of the catalogue published that year, demonstrated the classical limitations built into the rigid curriculum. A student was allowed to select one of eleven traditional majors, which included: Biology, Chemistry, Economics, English, French, German, Greek, History, Latin, Mathematics, and Political Science. A specialization in then-popular disciplines, such as Psychology and Sociology, was unavailable to students who chose to attend College A.

The College was authorized to confer both Bachelor of Arts and Bachelor of Science degrees. General education requirements for both degrees were stringent; it was necessary, for example, for every student to complete intensive study in Latin, Greek, or a modern foreign language.

This "limited but excellent" curriculum appealed to a relatively small group of contemporary students. An official now serving in state-affiliated College A stated that, in 1967, fewer than 400 full-time students enrolled in the private institution. That same individual reported that during the sixties, when enrollments at other institutions of higher education were sky-rocketing, no significant increases in the enrollment of College A occurred. No apparent effort was ever made to recruit students

from outside the state. In 1964, as reported in the Institutional Self-Study submitted to the regional association of colleges and secondary schools, approximately 80 percent of the students resided within commuting distance of the campus, and a majority of the remaining students were residents of the state.

Several former officials of the College suggested that both the limited curriculum, and the limited student body of College A were the design of the individual who had presided over all operations of the College between 1945 and 1966. The president who served during those years has been described as a capable individual who was socially and politically conservative. During his tenure, College A survived and that continued success has been attributed almost solely to his personal strength and administrative skills. On the small campus it was possible for him to be aware of and fully involved in all decisions. Any official action required his direct approval.

That long-time president of College A recognized that, with limited curricular offerings, and a small student body, all college activities would necessarily be restricted by the limited college income. Accordingly, he made every effort to decrease institutional expenses wherever possible and whenever necessary.

In 1966 he was forced to resign from his position due to increasingly ill-health.

Although many of the former trustees of College A were not in agreement with the conservative segregationist philosophy of that president, no trustee criticized his administrative skills. The trustees of this college firmly believed that a college president must be entirely responsible for the day-to-day management of the campus and it appeared that that

president had successfully carried out the assigned task.

Thirteen trustees served on the lay governing board of College A. They were among the most successful and respected members of the local business community. More than half of the former trustees were alumni of the institution.

Former trustees of College A noted that they were able to devote but a limited amount of time to the supervision of college affairs. Therefore, they preferred to concentrate their efforts on the establishment and achievement of institutional goals and objectives, the development of a budget and the preparation of a long-range plan. Former trustees of the college cited their belief in the importance of delegating authority for the management of the institution to the college president.

A former trustee stressed the importance of "finding the right man at the right time" to serve as president of a college. A member of the executive committee of the Board of Trustees of College A, expressed his belief that an educator need not always be selected to serve as college president; other trustees agreed. Trustees of College A opined that a private college struggling for its very existence may need a "business man" or individual with "proven administrative skills," rather than a scholar to direct its operations.

Trustees of College A believed that a major error had been made when a proven administrator was not appointed to the college presidency in 1966. Rather, an individual boasting a strong interest in academic affairs but limited administrative experience was selected.

This president was viewed by trustees as the most controversial figure in the recent history of College A. Some described him as "naive," while others felt that he was "vicious." Although he wished to continue

institutional operations with both the limited curriculum and student body he had inherited, he was either unable or unwilling to accept necessary budgetary constraints. A former college official reported that during this period, the established college budget was frequently ignored and serious financial mismanagement resulted.

This president presented an enigma to the business-oriented members of the Board of Trustees. One leading trustee described him as a "mere child in college financial affairs," while another reported his dismay when the president attempted to justify his disdain of the budget saying, "But I just hate figures."

The former trustees of College A acted to rectify the disastrous cash-flow problem which had evolved in the one year since this less efficient president had taken office. In 1967 the Board relieved the president of all responsibility in the domain of college financial affairs, by the appointment of an institutional financial manager. Trustees through that appointment acted on the belief that speedy and decisive action would aid in the resolution of immediate institutional problems.

Trustees reported that in 1967 they were fully aware of the problems facing the College. It was their expressed belief that any further financial excesses would have led to the immediate demise of the institution. Accordingly, they cited the appointment of the financial manager as their initial attempt to avoid further excess.

A severe personality conflict reportedly arose between the college president and the newly appointed financial manager. Former officials of the college stated that the financial manager recognized the weakness of the president and attempted to capitalize on it in order to promote his own unannounced candidacy for the college presidency. A perilously

weakened central administration emerged from this conflict and resulting divisions occurred within the ranks of the previously united faculty.

Former trustees reported that, as a consequence of this internal rift, Board members became even more aware of the problems of College A. Loyal faculty, who apparently viewed Trustees as their final contact with any rational spirit, approached members of the Board with individual problems with which the college president had previously dealt. As a result of numerous private conversations with faculty members, trustees recognized the necessity of further immediate and definitive action. Thus, trustees of College A, without assembling a number of committees, or consulting at length with students, faculty, and administrators, terminated the employment of both the president and the financial manager in 1968. A long-time faculty member was named Acting President of the College. During his brief tenure he worked closely with college trustees. In fact, Board members made all decisions which affected the destiny of College A during that period.

Trustees, again acting without the aid of committees, undertook a search for a "hard-nosed business man" to serve as president of College A. One Board member was acquainted with a former military officer residing in the area whose administrative skills were locally renowned. After meetings with all trustees he was employed as president of College A.

Trustees have since praised that individual's honesty, logic, managerial skills and prowess in interpersonal and interinstitutional relationships. It was under his aegis that College A joined the state system of higher education, and entered a phenomenal period of growth and development.

In 1968, College A, with its limited enrollment, and curriculum was

unable to satisfy the pressing educational needs of the community. Trustees, cognizant of their responsibility to that community, as well as to the college, sought some way to expand both course and program offerings, and the student population. Relying on a "money breeds more money, and progress breeds more progress" attitude, trustees of College A concluded that the only potential source of initial money and progress for College A rested in the state treasury.

The trustees of College A thus expressed no sense of compromise about abandoning the private status of the College. They cited recently expanded course and program offerings, and the augmented size and diversity of the student body as "proof positive" of the wisdom of their decision.

COLLEGE B

College B, a denominational college founded in the nineteenth century, had provided, until 1960, a quality liberal arts education for residents of the mid-western state in which it was located.

In 1960, guided by a new president, College B set forth on a more liberal course. The traditional curriculum was revised; students were recruited from the East; and, College B became a "second-chance" school.

The Board of Trustees which had previously directed all college financial affairs lost its strong hold in that area and delegated full responsibility for the management of college affairs to the administration.

Between 1960 and the closing of the college in 1973, College B had seven presidents. According to former officials, none of those individuals was skilled in fiscal matters. Some were described as "empire builders" by those connected with the college, primarily interested in their personal advancement and not that of the college. None could cope with the problems posed by ever-increasing institutional instability.

In 1973 trustees, faced with insurmountable debts, a consistently declining enrollment, and questionable administrative business dealings, voted to close College B.

College B was founded in the latter half of the nineteenth century by a major Protestant denomination to provide a "proper Christian education" for the sons of regional church members. Throughout its early years, the College maintained a small but steady enrollment pattern. The educational program was financed entirely by a combination of church

support, student fees, tuition, and private donations. Although the college endowment fund was always limited, no effort was made to provide any more substantial endowment fund for the institution. It has been reported that between 1900 and 1960 the lack of endowment placed College B "at the whim of every major national crisis." Prior to the First World War, for example, the student body of the college was entirely male. With the advent of the war, more than half of the enrolled students enlisted in the armed forces and the college, in order to maintain a sufficient operating income, was forced to accept female students. Other conversions, necessitating the admission of more females, and the implementation of popular academic programs were brought on by both the Depression and the Second World War.

Instability was traditionally the rule rather than the exception at College B. It appears that efforts of the trustees, and college administrators were consistently focused on meeting the ever-pressing needs of the present. Any consideration of either the future or the past of the college proved to be impossible. The development of a long-range institutional plan was therefore never realizable. One former trustee stated that, oftentimes, from 1960 to the time of the closing of the college in 1973, the long-range plan of College B encompassed no more than raising sufficient funds to meet daily operational expenses.

Between 1960 and 1973 College B had seven presidents. The individual who served from June, 1960 to March, 1971 brought a variety of educational innovations to the campus. He proposed more liberal admissions regulations, and attempted to implement a freer, expanded curriculum.

He undertook an energetic recruiting program which sent recruiters from College B to the East Coast. The recruited student body consisted

largely of students who ranked in the lower third of their high school graduating classes, and who had been unable to gain admission at more prestigious Eastern institutions of higher education. Since College B had previously attracted local students ranking in the upper half of their high school graduating classes, this "brash group of Eastern liberals" was anathema to many residents of B. One community leader spoke of an increase in shoplifting, petty theft, and heavy drug traffic which arrived in town with the new style students of College B. As a result of the change in institutional goals, major divisions occurred within the ranks of the previously-united Board of Trustees. Certain members recognizing potential financial advantages for the college and the community, and proponents of the Jacksonian philosophy of education, applauded the expansion of the student body and the revisions of the curriculum. Others favoring the more elite college program and traditional students preferred to devote their time and efforts to providing an education for a small but academically capable student body. Those trustees who favored the traditional liberal arts program and local student body believed that the strength and success of a college depended almost entirely on its reputed academic excellence. A former trustee opining that only a "quality" institution of higher education can attract capable students, faculty and administrators, stated that with the adoption of an open admissions program, College B relinquished any chance that it had ever had of becoming a "quality" school.

Trustees reported that they were quite unaware of the additional expenses which College B would incur in order to provide proper educational and residential facilities for the new student body. Since, for example, less than 25 percent of recruited students were residents of the state,

the college was obliged to provide additional dormitory accommodations. Between 1961 and 1969, College B undertook a major expansion program. Two dormitories were built, a third was purchased. A new library appeared on the campus. This building program was financed by federal loans and by the sale of stocks held by the college. The institution was later unable to pay those building debts.

Prior to 1960, members of the Executive Committee of the Board of Trustees reported that they were quite aware of the problems which College B had faced and they described communications with former administrations as open and honest. Members of the Board then exercised particularly tight control over the development and the management of the institutional budget. Subsequent to the philosophical division within the Board, and the change in institutional direction trustees reported that they were unable to recoup any semblance of their former power. Poor business practices predominated when significant trustee control ceased. An accounting system adopted by college administrators, was described by one trustee as "curious." According to another trustee, administrative interest in a college budget was at best sporadic.

College employees were not registered with a state department which would later be asked to supply unemployment benefits, despite the fact that registration of all employees was required by law. College administrative officers had selected "appropriate" insurance plans for institutional assets yet trustees later discovered that more extensive coverage could have been obtained for lower premiums. Certain trustees believed that administrators throughout the 1960's had little respect for members of the Board or for the power and authority they possessed. Trustees were subjected to administrative disdain and consequent ostracism from all major institutional decisions.

Administrators at College B apparently believed that trustees were responsible only for fund-raising activities and were out of place in the educational domain. Trustees appeared to have been equally convinced that only educators were capable of understanding and managing the affairs of the college.

The tolerance and patience of the trustees of College B during the 1960's might be described as extreme. In about 1965, for example, it was decided that the college should undertake a necessary fund-raising campaign. The college president however, who was described as an "extreme egotist" and an "empire builder" could not agree with other officials on the direction which a development program should follow. That president, in fact, refused to become involved in any development program, and the fund-raising campaign was therefore abandoned. Trustees apparently accepted without question the president's refusal to serve.

A former trustee of College B now believes that Board members delegated too much authority to college administrators. That trustee noted that when college difficulties were relatively few, trustees hesitated to become involved in any major disagreements with the administration. Another trustee stated that, due to this peace-at-any-price attitude "We didn't run the College, it ran us."

In 1970, when College B was faced with a declining enrollment, and overwhelming institutional debts, trustees reported their more active involvement in the administration of the College. Certain members of the Board, however, now regret the efforts which they then made to save the college. One former Board member reported that, had the trustees seriously questioned their reasons for keeping the doors of College B open they would have elected to close the institution immediately, for he saw no good

reason for maintaining the "white elephant." Another former trustee declared that there was in fact no logical reason for protecting an institution which offered nothing that one could not obtain for a more reasonable fee at the nearby state university. That same trustee suggested that when a liberal arts college ceases to be unique, to serve its students in a meaningful way, it becomes a "monstrosity" and its life should be terminated immediately.

Former Board members have stated that their efforts to save college B were in reality efforts to protect their friends and the community. College faculty members were not only employees of the trustees, but they were often close friends. Final efforts which were made to save the college are therefore viewed as causing particular frustration for all members of the community.

Despite valiant last-minute efforts to hire qualified administrators, recruit a capable student body, organize college financial affairs, enlist alumni support, and conduct a major fund-raising drive, trustees were forced to admit defeat. College B graduated its last class in June 1973.

COLLEGE C

After more than 20 years of carefully-directed educational and financial planning, College C opened its doors to its first students in 1968. Within four years all who had dreamed of a thriving independent university would be forced to recognize their failure and advance the merger of College C with a major university located in the region.

Officials have suggested that had College C been opened but one year later, when all necessary preparations would have been completed properly, the institution might have met with greater success.

The 286 students who entered College C in the fall of 1968 represented only one-third of those required to support the initial operating budget of the institution.

Trustees of College C were unable to appoint a president prior to the college's opening who was properly trained in both higher education and business. Thus, a local religious leader was named, and with the academic dean, was charged with full responsibility for employing a qualified college faculty. Philosophical and personal conflicts between the president and the dean resulted in a major rift in both the faculty and student body. That strife later created negative publicity harmful to the struggling college.

College C was unable to obtain full accreditation status from the Southern Association of Colleges and Schools. Former trustees of the College have attributed the failure to the institution largely to its inability to gain accreditation.

In 1971, when trustees realized that "it would be less expensive to pay tuition, room and board at Harvard for all of our students than to continue to educate them here" the possibility of a merger with a nearby university was discussed. In the fall of 1972, College C became a campus of X university.

College C, which greeted its first students in the fall of 1968 was the result of more than twenty-five years of careful research, coordination and planning. In 1952, a church group established a committee to determine the potential support for a major religious college in the metropolitan region. The final committee report indicated that the "facts were clear," the potential existed for the establishment of a great university in the area.

Another committee was formed and charged with examining all aspects of founding a private college. A prominent minister, who chaired that committee, would later serve College C both as chairman of the Board of Trustees, and as its first president.

In 1956, an industrial engineering planning firm was retained and charged with selecting an ideal location for the college. The firm recommended the purchase of a site close to the expressway and the planning committee subsequently purchased 62 acres of land in that area.

In 1964, the Board of College C was granted a charter, and the fall of 1968 was set as the projected opening date for the institution. A team of educational consultants was employed to survey the campus and provide a plan for the location of buildings, arrangement of classrooms, and guidelines for the development of a curriculum and the employment of faculty and administration.

A presidential search committee was formed and a number of candidates were interviewed and offered the position. However, no candidate was willing to accept; it has been suggested that qualified individuals were wary of accepting responsibility for a new institution with limited endowment and financial resources.

An academic dean was employed in January, 1968, and with the chairman

of the Board, was charged with responsibility for the recruitment of a "quality" faculty. That dean, throughout interviews with potential faculty members, apparently conveyed a "money is no object" attitude to future members of the college staff. The academic dean further expected, and led faculty members to believe, that he would eventually be selected as the first president of the college.

The academic dean later conducted a vigorous campaign against the appointment of the Chairman of the Board of Trustees as the first president of the college. This conflict led to major divisions within the ranks of the faculty and the student body. Two distinct factions evolved: one supporting the president and another alligned with the academic dean. No individual was ever able to unite these factions. Thus, the campus community at College C was consistently unable to work in unison to combat the financial, social and academic problems which plagued the institution.

In the fall of 1968, 286 students enrolled at College C. This represented considerably fewer than the projected initial enrollment of 750. The majority of the College C entering students had combined SAT scores of less than 800 and there was therefore marked contrast between the abilities of the students and the academic and teaching credentials of the 25 "quality" faculty members who had been employed.

The optimistic enrollment figures projected prior to the opening of College C were never met. It has been reported that the Director of Admissions and Registration was inexperienced and did not function effectively in his assigned post. The college never undertook a major recruitment program. Although students who did attend College C were not high academic achievers, no special programs were designed to deal realistically and effectively with low-level academic achievers.

The initial operating budget of College C amounted to $1.2 million. Administrative and faculty salaries, some set at more than $20,000, were extremely high by 1968 small college standards. Major debts amounting to $2.5 million were due on the four new campus buildings. The college income was derived from a small endowment of $250,000, student tuition and fee payments which amounted to $1,095 per student, and donations from churches in the local denominational association.

From its opening day, there appear to have been four major problems faced by College C: (1) Personal and professional conflict between the President and the Academic Vice President; (2) some ambiguity concerning the institutional goals and objectives; (3) serious under-enrollment problems, coupled with over-construction and over-staffing of the campus; (4) lack of accreditation.

The accreditation team which visited College C in 1969 noted College C's lack of a "clear statement of purpose...embodying the concerns of the several publics whose support is essential to the operation of the college." In the founding charter of College C it was stated that: "The primary objective /of the college is/...the development and operation of an institution of higher learning...maintained by the denomination to impart to the student...a knowledge of man, the universe in which they live, and the relationship of both to the Creator and our Redeemer, Jesus Christ." Sources familiar with College C have described it as a "church school" rather than a church-related institution.

A more liberal statement of purpose published in the 1968 College C catalogue, said that "the college strives to be profoundly Christian rather than narrowly sectarian. Religious activities, are provided along with physical and social activities," appeared to be in conflict with the original perceptions concerning the "church school."

The accrediting team stated that prior to accreditation, the College would be required to produce a ten-year plan, employ a director of development, define a process for controlling course and program proliferation in the curriculum, improve the method of budget preparation, decrease the power of the Board of Trustees in exercising control over the budget, develop a faculty manual, and be more alert to the needs of the local community.

The opening of the College represented for many of the trustees the final product of years of fastidious planning and fund-raising efforts. The success of the active trustees of College C in both fund-raising and in the task of balancing the college budget can be neither denied nor overlooked. Prior to 1963 the Board had raised more than $3 million. In 1973, when College C merged with a nearby private institution, it was totally free of debts. The campus land and buildings were paid for in full. The merger agreement also included the transfer of bank accounts totaling $1.5 million.

Since trustees had been actively involved in the college planning they felt that it was natural and necessary for the Board to continue its involvement in the day-to-day management of the school. However, the Board of Trustees of College C may have been over-zealous, for it had been criticized for excessive involvement in operations of the College.

The trustees of College C recognized the need for proper budgeting and fund-raising and it appeared that no appointed administrator was able or willing to engage himself in either activity. A former trustee of College C maintained that trustee involvement in the day-to-day operations of the college was essential since trustees alone commanded necessary business skills, lacking in the administration.

College C struggled with limited enrollment, over-staffing, and a severely divided campus community for 3 years. Trustees finally were forced to face reality when one Board member calculated that "it would be less expensive to pay tuition, room, and board at Harvard" for all the students at College C than it would be to continue operations of the College. Hence, a merger with a nearby private University was taken under consideration by prominent trustees and in December, 1972 College C became a branch campus of X University.

COLLEGE D

In 1964, a group of successful midwestern businessmen was approached by the chief executive officer of a liberal arts college who described, in detail, the economic and social advantages of establishing a college in the community of D. Civic leaders, who had long envisioned a thriving college for the youth of their community, enthusiastically joined forces and became the first, and only, Board of Trustees of College D.

An individual who has been described as a "disciple" of the man who had originally proposed the establishment of the liberal arts college was named president of College D. He spoke with great enthusiasm of the role which the College would play in American higher education. College D, he proclaimed, was to be an innovative institution with a liberal and liberalized curriculum designed to meet the needs of individual, and non-traditional students.

College D became a "second chance" school. The student body consisted largely of students recruited from the Atlantic seaboard. There would eventually be major social clashes between the liberal students from the East, and the conservative midwestern town's people. One resident of the community recently stated: "that school ruined our town."

Subsequent to the termination of the draft, and the establishment of an improved network of community colleges in the East, enrollment figures at College D fell off sharply.

Trustees learned that the president who had once inspired them with promises of curricular innovation had in fact implemented a relatively mundane academic program. Trustees also learned that college administrators, displaying little business "know-how", had created severe budget deficits.

> In 1971, trustees of College D, recognizing the impossibility of recruiting a sufficient number of students and of paying overwhelming institutional debts, were forced to terminate the operations of the College.

The citizens of the small mid-western town in which College D was located were anxious to establish a flourishing institution of higher education in their region. Although a community college existed, it was funded only by tax contributions from the town; several bond issues, proposing an extension of funding of the community college to all citizens of the county, had been rejected by voters. The businessmen of the community were therefore intrigued by a dynamic presentation made by a leading but controversial administrator of another mid-western college who proposed the establishment of a four-year liberal arts college in the community, promising that "Private colleges can make money! It's a good business! That's why we should do it here!"

After that presentation community leaders united and formed the Board of Trustees of College D. There were 47 members of the Board, and 45 of the trustees lived within 30 miles of the mid-western town in which the college was located. One former trustee stated that the College D Board included "all the top business people in town." That individual further suggested that the members of the Board respected each other and were ordinarily able to work very well as a group.

College D was chartered in February, 1965, and greeted its first students in October of that year. The first classes for the 500 entering students were held in unoccupied office and hotel buildings located in the town.

According to its first catalogue, College D was founded to "present to college age students a real purpose for living, to provide a sound and

creditable background in the liberal arts, to insure proper campus atmosphere for good college life, and to serve the local community, the general area and the nation as a training ground for future American citizens."

The college described as a "second chance" school, employed an open door admissions policy, and attracted many students from large eastern metropolitan areas who were unable to gain acceptance at institutions nearer their homes.

The first president of the college was an associate of the individual who had introduced the idea of establishing a college to the local businessmen. That President was delegated full responsibility for the employment of a faculty, the establishment of a curriculum, and the development and management of a budget.

He was described as "a remarkable salesman" by one trustee; others spoke of him as a "con man." One trustee characterized the president as "much less than sincere" in his communications with members of the college lay governing board. Salaries, for example, were discussed. The president informed trustees that, in higher education, it is traditional for the college president to receive a salary that is at least 1.5 times that of the next highest paid college officer. The president appointed one faculty member at an annual salary of $40,000 and then established his own salary in keeping with the "traditional" formula.

The Trustees of College D were also led to believe that the management of the college was the full responsibility of the appointed administrative officers; trustees, they believed, existed solely as fund-raisers. Former trustees of College D commented that, whenever they posed any pressing questions concerning college affairs they were treated as "meddlers." One former trustee stated that administrative officers conducted themselves as

"the pros with all the answers," and discouraged all trustee questions.

Trustees reported that, whenever College D was facing a cash flow problem, the president approached individuals serving on the Board and requested private, non-publicized loans. Trustees stated that they generally gave the sum which was requested, and that it was often returned in due time. Those transactions, however, were not recorded in the college records, nor were they ever reported to the full Board membership.

When asked why they tolerated such questionable business techniques, trustees of College D spoke of their "ignorance of the ways of higher education." They apparently believed that the administration of their college was honest, and typical of other private college administrations. Most of the trustees, who had not previously served on a college board, were willing to accept the concept that only educators are truly capable of managing an institution of higher education.

A leading trustee, now disillusioned with the first president of the college whom he described as a "dreamer" and "an empire builder" spoke of college administrators he had encountered as "inflexible, unimaginative and unwilling to change." That trustee had been impressed by promises of a totally innovative curriculum which was to have been implemented at College D. He believed that the curriculum which the college actually adopted was far less impressive and individualized than that which had been originally proposed.

The first President ultimately was dismissed and charged with mismanagement of college finances. He was replaced by the college financial vice president.

The fall semester, 1970 after the termination of the draft and the appearance of additional institutions of higher education in the East,

was described by one trustee as the moment "when the bottom really fell out of things" for College D. At that time, the second president whom trustees had believed capable of saving the school, resigned, claiming "reasons of health" as the primary cause of his actions.

Although the enrollment was then listed at between 1200 and 1300 students, the college budget, demanded a minimum enrollment of 1500 students to finance continued operations.

College D was unable to receive full accreditation from the North Central Association of Colleges and Secondary Schools. It has been reported that accreditation was denied because the college profited from student tuition and fee payments. Officials of the college told trustees that they were unaware of any North Central rulings which prohibited a college from making a profit. It appears that college administrative officials convinced leading members of the Board of Trustees that the North Central Association viewed the innovative education presented at College D as a potential challenge to more established institutions, and that accreditation was refused unfairly.

College D closed its doors in August 1971. The institution had been operating under Chapter XI of the Federal Bankruptcy Act since December, 1970. At the time of closing the college owed $750,000 in open trade accounts, $225,000 in bank notes, $4,920,000 in federal loans, $230,000 in land bonds, and $230,000 in private notes of local businessmen, many of whom were trustees.

Previous studies of the events which led to the closing of College D have indicated a suspicion that the trustees of that institution were swept away by "get rich quick" promises. After lengthy discussions with former trustees we are forced to disagree. Indeed, there may have been the

belief that a college would bring increased revenue to the community. Trustees, however, also recognized and appreciated other advantages, such as an increase in community cultural activities which the fledgling college promised.

It appears that, if the trustees had in fact intended to "get rich quick" (a move that was unnecessary for many, since they were already pleasantly wealthy) they would have ceased to support the college at the moment at which it began to suffer significant losses. Certain trustees, however, continued their support of the college until the day when the institution closed its doors, and at least one trustee would have been willing to support it for a still longer period of time.

When a decision was made to close the college, individual trustees of College D who had guaranteed certain college debts, suffered losses of at least $475,000. Those final losses did not include numerous other contributions of time or money (total estimated personal financial losses of the trustees of College D amounted to at least $1 million) which had been made throughout the history of the college.

Certain former trustees of College D, have indicated that the college should have been closed at least two years earlier. It appears that even when trustees were finally cognizant of insurmountable difficulties which the college was facing, they refused to admit defeat and continued to support the college irrationally.

During on-site visits, trustees of College D contacted expressed a belief in the value of independent institutions of higher education and several spoke of the importance of offering an alternative to American youth. Other trustees cited the great freedom in curriculum and program development which a private campus can exercise. The majority agreed that

they would again serve on the Board of Trustees of a liberal arts college, and that they would be willing to withstand additional financial losses to permit the establishment of a viable and free institution of higher education in their area.

Perspective on College Histories

Each of the scenarios above is, in many respects, a unique saga of failure. Despite obvious differences, however, one overarching theme appeared in all four case histories, namely, the failure of trustees to act decisively when action was essential. Trustees, in attempting to account for this phenomenon, typically made reference to one or more of the following conditions in their hindsight reflections.

Avoidance. Most trustees perceived that they had been elected to the board largely for the prestige and/or financial support they could lend. Most described trusteeship in honorific terms and referred to the pleasure of having been in the role--regardless of the fortunes of their colleges. When rough sailing was encountered, few had wished to turn a pleasantly perfunctory duty into something both more and less—more of a commitment, more work, more hassle, less honor, less prestige, and less fun--by becoming embroiled in potential controversies associated with difficult decisions.

For example, in three of the four colleges which abandoned private status, members of the boards of trustees, hoping to avoid unpleasant encounters, admitted to postponing or completely avoiding decisive actions which might have provided greater institutional stability. At one college, for example, when the financial incompetence of the president was witnessed by board members, trustees authorized further straining of the college budget by creating the position of institutional business manager, rather

than facing the inevitable dismissal of the president. At another college, the board avoided confronting one president who chose not to act as a fund-raiser, another president who allowed a massive mail-recruiting program of which the trustees had disapproved, and a third president who summarily reversed institutional goals and objectives without consultation with board members. A trustee of another college, the president of a local bank, indicated that the board was aware of the "Mickey Mouse" financial operation at the college and yet did not act, primarily because of wanting to avoid a confrontation. At another institution, financial records were "always unavailable" to members of the Board and yet the Board remained hesitant to demand full disclosure until disastrously late.

Role Uncertainty. A second theme relating to the failure to act decisively was uncertainty about the trusteeship role. Board members interviewed often expressed doubt about the extent of their authority and responsibility. The trustee role in the four institutions at times was merely a function of what any given incumbent president thought it should be, rather than having any identity of its own. Role confusion also stemmed partly from inexperience (chiefly in the two newer institutions), partly from competing sets of available notions about governance in higher education, and partly from the differences in style of the various chief executives and other administrators whom trustees employed.

Trust and Faith. A phenomenon, common to all four cases, was to reach agreement on a chief administrative officer and then fail to adequately monitor his activities, especially in the first several months. Most trustees had attended college themselves and had come to respect and accept the opinions of academics. Most were familiar with the business model of board non-interference. Thus, most were willing, perhaps in

retrospect too willing, to place a reasonably high degree of trust in the expertise of officials whom they had employed. If they had it to do over again, however, most trustees would be more cautious. In hindsight, one trustee spoke forcefully (and rather bitterly) of administrators as "knights in shining white armor," standing for entirely laudable (but entirely too costly) academic ideals, against whom trustees ultimately were forced to represent "the hard-nosed realities of life." According to another former board member, admiristrators almost always argued that financial decisions were extensions of "academic matters," and hence outside the legitimate expertise of trustees, thus forcing board "faith" in administrators to unrealistic levels.

A second type of faith also manifested itself. Trustees, as expressed in interviews, were commonly guilty of harboring fantastic hopes that some nebulous, magical force would suddenly save their colleges from doom, believing almost as if the enterprise of higher education were somehow partially immune to certain realities with which they were otherwise well familiar as business and professional people.

Data Deficit. In several instances, trustees complained of being kept in the dark by administrators on critical matters as they developed. Trustees often found out about true conditions only well after they had become established fact. Sometimes false or inaccurate reports were submitted to the board containing misinformation on which major decisions were based. As already indicated, sometimes the financial records were simply unavailable to board members.

In combination, these four elements typically manifested themselves as inadequate involvement by trustees in the affairs and management

of the colleges committed to their charge. The theme of ineffective involvement is one that also appeared in the questionnaire data reported in the next section. As we shall see, however, inadequate involvement was not the same thing as low involvement, for trustees allocated approximately the same amount of time to trusteeship as did their counterparts in other colleges that did not fail.

TRUSTEE PATTERNS

The case studies reported above point to a certain detachment on the part of trustees in the four institutions analyzed. As noted, a common theme found in each scenario of failure was a general reluctance to act when action was necessary and a tendency to delay difficult but inevitable decisions.

The data reported in this section portray a similar picture. The findings support a view of trustees of defunct institutions as energetic but ineffective. Even though defunct college trustees expended an amount of time roughly equivalent to their living college counterparts, their reported patterns of involvement suggest that they remained only loosely-coupled with the policy framework of their institutions.[7] Compared with their counterparts in still-living colleges, trustees of colleges that failed are perhaps better described as interested bystanders than vital holders and interpreters of the trust placed with them.

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[7] See March and Olsen (1976) and Weick (1976) for theoretical discussions of loose-coupling phenomena in educational organizations.

Summary of Questionnaire Findings

The following points summarize the major findings based on questionnaire results:

- Trustees of defunct colleges were found to be nearly identical in background to trustees of comparable surviving institutions, except for being somewhat less wealthy.
- Trustees of defunct colleges devoted approximately the same amount of time to the trusteeship role as their counterparts in surviving institutions, both in fund-raising and other activities.
- The ability of trustees in defunct institutions to generate income for their colleges was nearly identical to that of living college trustees.
- The policy development priorities of boards associated with defunct and surviving colleges were strongly similar.
- On the average, boards of defunct colleges were significantly less involved in both the development and implementation of college policy than boards of surviving institutions.

Background Characteristics

Trustees surveyed in the two samples shared characteristics which previous empirical studies (Rauh, 1959; Rauh, 1969) have associated with the "typical" college trustee. No significant differences were observed for trustees in the two groups with regard to sex, age, religion, or education. The average (modal) trustee serving both types of institutions was a protestant, college-educated male in his fifties, earning between $50,000 and $99,999 annually.

Although trustees of living colleges reported slightly higher incomes on the whole, the differences between the two groups were not statistically significant.

Table I provides percentage breakdowns for both sets of trustees across all categories.

TABLE I. Background Characteristics of Trustees in Four Defunct and Eight Surviving Colleges, 1976

	percent*	
	DEFUNCT INSTITUTIONS	SURVIVING INSTITUTIONS
SEX		
Male	88.7	82.3
Female	11.3	17.7
AGE		
40 or below	3.2	9.5
40 - 49	16.1	24.4
50 - 59	32.3	29.9
60 - 69	32.3	22.8
70 or above	16.1	13.4
REGILIOUS AFFILIATION		
Catholic	5.2	8.0
Jewish	5.2	7.2
Protestant	84.5	76.8
Other	5.2	5.6
None	0.0	2.4
EDUCATION		
Less than bachelor	9.5	9.5
Bachelor	36.5	33.9
Master	14.3	18.9
Doctor	17.5	13.4
Professional	22.2	24.4
ANNUAL INCOME		
$10,000 or below	3.2	2.4
10,000 - 19,999	11.1	6.3
20,000 - 29,999	15.9	11.0
30,000 - 39,999	7.9	13.4
40,000 - 49,999	22.2	13.4
50,000 - 99,999	27.0	31.5
100,000 or above	12.7	22.1

*May not add to 100 because of rounding.

Time Allocation

A second area of considerable similarity between trustees of defunct and living institutions was in the reported amount of effort expended in fulfilling the trusteeship role. As indicated in Table II, the distribution of estimated time devoted to fund raising and all other aspects of trusteeship was approximately the same. Calculations based on actual frequencies and the median points of hour ranges in the questionnaire revealed that defunct college trustees spent slightly more time (four hours per man) on fund raising activities than their surviving college opposites, and slightly less time on other activities. In neither case, however, were the differences significant.

TABLE II. Time Expenditures by Trustees of Defunct and Surviving Colleges

	Hours per Year			
	0-20	21-50	51-80	81+
	(percent reporting)			
FUND-RAISING				
Defunct Institutions	49	26	7	18
Surviving Institutions	55	27	7	11
OTHER ACTIVITIES				
Defunct Institutions	19	35	18	29
Surviving Institutions	13	39	18	30

Fund-raising Ability

A third area of substantial similarity between trustees of defunct and surviving institutions was in the domain of fund-raising. As a means of broadly estimating fund-raising ability, trustees in both groups were asked if they had generated college contributions, other than their own, amounting to at least $20,000 per year during the two years preceding closure or merger (for trustees of dead colleges) or during the last two years (for trustees of living colleges). The proportion of trustees in

the two samples responding "yes" was nearly identical. Thirty percent of the trustees in surviving institutions reported affirmatively, while 32 percent of the trustees from defunct institutions indicated the same.

Patterns of Involvement

Policy Priorities. In addition to the similarities already noted, trustees from the two samples also reflected similar priorities for involvement in the development and implementation of policy.

Trustees from both defunct and living institutions were asked to indicate the extent of their involvement in developing policy within fourteen areas. Based on mean degree of involvement reported, trustees from both groups designated highly similar sequences.[8] Table III summarizes the five areas of highest and lowest involvement in policy development for the two groups.[9]

Clearly, trustees of institutions that failed expended energy on college matters in roughly the same sequence as their counterparts in existing institutions. With the exception of "alumni affairs," no policy area appeared in the top five for one group and in the bottom five for the other. The data indicate that, in general, trustee priorities in colleges about to fail do not differ strikingly from priorities of governors in healthier institutions.

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[8]Spearman rho correlations for the two samples were exceptionally high, .82 for involvement in the development of policy, and .94 for involvement in the implementation of policy.

[9]Priorities for the implementation of policy were nearly identical and are not included.

TABLE III. Five Areas of Highest and Lowest Trustee Involvement in the Development of Policy (by rank)

	Defunct Institutions	Living Institutions
Five Areas of Highest Involvement		
	1. Selection of President	1. Selection of President
	2. College Budget	2. Selection of Trustees
	3. Long-range Planning	3. College Budget
	4. Alumni Affairs	4. Long-range Planning
	5. Fund-Raising	5. College Investments
Five Areas of Lowest Involvement		
	1. Selection of Administrators below President	1. Academic Programs
	2. Student Regulations	2. Alumni Affairs
	3. Academic Programs	3. Selection of Administrators below President
	4. Admissions Standards	4. Admissions Standards
	5. Faculty Selection	5. Faculty Selection

Extent of Involvement. The data reported thus far have suggested quite unequivocally that few real differences existed in either the character or behavior of boards of living and defunct colleges. The preponderance of similarity, however, ends with the reported degree of involvement in the development and implementation of college policy. In most cases, the differences between the two groups in this area are statistically significant.

Figure I displays the mean degree of involvement of trustees from the two samples in developing college policy in the same 14 areas where their ordinal patterns of attention were found to be approximately equal. In only two areas, admissions and academic programs, was the reported extent of involvement similar. In eight of 14 policy areas (57 percent

FIGURE I. Mean Degree of Involvement of Boards of Trustees in the Development of College Policy in Fourteen Areas[1]

POLICY AREA	SCALE MEAN	LEVEL OF SIGNIF. t	D
Selection of President	4.24 3.79	.05	-
Selection of Trustees	4.17 3.40	.01	.01
College Budget	4.02 3.69	.05	-
Long-range Planning	3.89 3.63	.05	-
College Investments	3.75 2.97	.001	.05
College Wage Scales	3.10 2.66	.05	.10
College Retirement Plans	3.06 2.60	.05	.10
Student Regulations	2.60 2.16	.05	.10
Academic Programs	2.30 2.14	-	-
Admissions	2.08 2.06	-	-
Faculty Selection	1.54 2.02	.001	.05
Administrator Selection	2.11 2.48	.05	-
Fund-raising	3.18 3.55	.05	.10
Alumni Affairs	2.15 3.60	.001	.001

Living Institutions
Defunct Institutions

[1]Based on 1-5 scale of low to high involvement (See Appendices A, B).

of all policy domains surveyed), the degree of involvement reported by trustees representing colleges still in existence was higher. In only four of 14 areas (28.5 percent of the policy domains surveyed) was the extent of involvement by defunct college trustees higher. In most cases, the differences are statistically significant.[10] The pattern is also interesting in that where board involvement in defunct colleges was higher, it usually occurred in policy areas in which surviving college boards characteristically were least involved (faculty selection, the selection of administrators below the president, and alumni affairs). The larger reported mean involvements of defunct boards in these areas (and in developing fund-raising policies), is more than offset by the lower involvement elsewhere, thus yielding an overall involvement deficit by comparison with boards of living institutions across all policy areas.

Figure II displays similar differences with regard to the mean degree of involvement of the two sets of boards in policy implementation. Once again, living college board members, in 9 of 14 instances, reported higher mean levels of involvement. Unlike the area of policy development, the difference was significant in only four instances where both tests were employed. Once again, however, defunct boards reported higher levels

[10]In testing for differences, we have employed both a parametric and non-parametric test. Two tests were utilized since it was felt not enough was known about the true nature of the data to make definitive decisions concerning their adherence to the various assumptions required. Due to the non-stochastic nature of the defunct college sampling process and type of scale used in the questionnaire, not all of the assumptions necessary to utilize the parametric student t-test could be met fully. Thus, significance levels also were computed utilizing the non-parametric Smirnov D which requires only the assumptions of ordinality and non-randomness. Clearly, the non-parametric test is the more conservative, although perhaps less accurate since use of it is based on weaker assumptions (thus increasing somewhat the risk of a Type II error) and since it does not take advantage of all data available. We have reported significance levels for both tests and the reader is invited to make ultimate judgments about which are most acceptable.

FIGURE II. Mean Degree of Involvement of Boards of Trustees in the Implementation of College Policy in Fourteen Areas[1]

POLICY AREA	SCALE MEAN	LEVEL OF SIGNIF. t	D
Selection of a President	4.49 3.82	.001	.05
Selection of Trustees	4.36 3.33	.001	.001
Fund-raising	4.02 3.35	.001	.05
College Budget	3.93 3.65	.02	-
Long-range Planning	3.84 3.32	.05	-
College Investments	3.81 2.96	.001	.05
College Wage Scales	2.83 2.79	-	-
College Retirement Plans	2.78 2.47	.02	-
Student Regulations	2.42 2.15	.05	-
Alumni Affairs	1.77 1.94	.05	-
Faculty Selection	1.70 2.09	.05	-
Admissions	2.03 2.19	.10	-
Academic Programs	2.12 2.19	-	-
Administrator Selection	2.24 2.68	.05	-

Living Institutions
Defunct Institutions

[1]Based on 1-5 scale of low to high involvement (See Appendices A, B).

of involvement in domains of lowest priority for living college boards. Trustees of defunct colleges did not, as in the case of policy development, report a higher mean involvement in implementing fund-raising policies. Rather, the reverse occurred, and the difference between the two groups again was significant.

SUMMARY AND IMPLICATIONS

The small, independent college board of trustees today faces a difficult future. Although the rate of failure among small colleges has slowed as compared with the first five years of the decade, the long-term vulnerability of the private sector as a whole remains. What might trustees serving on boards of so-called "invisible," struggling colleges today do to enhance the prospects for survival of their institutions?

The research offers no definitive answers but does suggest some of the lessons learned by those who have experienced failure.

Summary of Findings

We wish to summarize briefly the primary results of the investigation before suggesting some of their implications.

- Role Uncertainty. Trustees of the four defunct institutions, during their tenure, seemed to have no clear conception of the trusteeship role and lacked criteria for measuring board performance. Most were unsure of the extent of their rights, authority, and responsibility.

- Confrontation Avoidance. Board members typically avoided confronting administrators and making difficult, but necessary, decisions. As a result, important choices were made in an information vacuum and/or board action often was delayed disastrously long.

• Trustee Background. Trustees of colleges that did not survive as independent entities were nearly identical in background characteristics such as sex, age, education and wealth to a comparative sample of trustees in still-surviving institutions.

• Fund-raising. Trustees of defunct colleges generated gift income for their institutions at approximately the same level as did trustees of comparable living colleges during a similar period. With respect to the time allocated to fund-raising, the patterns again were nearly identical for board members of living and dead institutions.

• Priorities. The policy development priorities of defunct and living college trustees were highly similar, with policies in high financial impact areas coming first in terms of mean involvement and policies in lower financial impact areas last.

• Policy Involvement. Boards of colleges that failed reported a significantly lower degree of involvement in both the development and implementation of college policies in eight of fourteen policy areas when compared with similar reports by boards of surviving institutions.

Implications

There is a conventional wisdom (call it myth even) about the board of trustees of a small, private, liberal arts college that persists today. Its main elements are: 1) that "trustees should make policy, but not administer it" (Rauh, 1959, p. 17); 2) that the president should be given a large amount of autonomy; 3) that the board should rely exclusively on the president for all of its decision information; 4) that trustees should be selected primarily on the grounds of wealth, financial contacts, and/or prestige; 5) and that board membership is largely honorific and the duties

of trusteeship are chiefly perfunctory and symbolic.

The research reported here runs counter to much of this unconfirmed certitude.

Perhaps the single most important implication of the findings is that even a relatively high expenditure of time by a board may be unrelated to its degree of involvement in important policy aspects of the college in which it serves. Even though trustees from colleges that failed spent approximately the same amount of time performing the trusteeship function as did those from institutions still in existence, their level of involvement in both developing and implementing policy was below that of the latter group in the majority of areas surveyed. The few policy arenas where defunct college trustee involvement exceeded that for living college board members were ones typically of lower priority for boards of surviving institutions and arenas typically related only indirectly to fiscal affairs (e.g., alumni affairs and faculty selection).

These findings suggest that the more effective board (if survival and effectiveness may be equated) is the one that is more centrally involved in both making and carrying out policy, especially policies in the domain of college finance (e.g., budgets, investments, wage scales, trustee selection, etc.). Thus, a proper cautionary note to trustees serving in small colleges today would be that the board member who perceives his involvement in critical policy areas to be low, probably is less effective than he should or could be and inadvertently even may be contributing to the potential for demise of the institution served. The data from the field research indicate strongly that decisions critical to survival were delayed excessively due to the often only marginal participation of the board in the planning and operational realities of the four colleges.

A second implication of the results is that boards should not rely wholly on information presented to them by college administrators, not even the president. The case studies suggested that, whether by intention or negligence, college officers sometimes kept trustees in the dark about true conditions until the force of events became nearly irreversible. In other instances, significant procedural modifications with far-reaching policy considerations were made without the immediate knowledge of the board. The findings suggest that the small college board could benefit from appointing staff directly responsible to it who would gather and present information for decision-making based on an understanding of the rights and responsibilities of trusteeship. The rationale for employing a professional assistant is couched in the need of the board for accurate, timely, and unbiased information that college administrators, in times of difficulty or forseeable difficulty, might be reluctant to provide.

Related to this is the question of how much autonomy the board should encourage a president to assume. Typically, trustees hired a president and then created a situation in which he was expected to solve all or most of the college's problems without board "interference," and with commensurate "authority" for the assigned responsibility. However well entrenched in traditional management theory, the data suggest that this practice was inappropriate for a small, relatively unhealthy, college. The practice tended to create inflated hopes and expectations for presidential performance. Trustees consistently appeared to misunderstand the severe limitations placed on presidential power and freedom by the context in which everyone, including the president, operated. The case studies suggested that, while in some cases ineffective leadership was a function of presidential ineptness

and unsuitability, the more dominant theme was that of the president as a victim, not a manipulator, of his context.

More than one trustee we contacted described presidents whom they had hired as "egomaniacs," "empire builders," and "day dreamers" who viewed the presidential role in grandiose terms. However true, the source of the behavior may lie with the boards' own inflated expectations as much as with the presidents themselves. Boards who hire a chief executive and then provide a kind of mindless backing in the name of presidential autonomy quite possibly are being unrealistic in their expectations and negligent in their role. In a world where individual aspirations consistently outrun accomplishments and leaders frequently are just riders at the crest of a wave already in motion, both the burden of vision and its implementation must be more widely shared, especially by those who claim ultimate authority. An attitude of benign neglect, accompanied by the expectation that the president should and can do it all if he is the "right person," seems unrealistic and especially inappropriate to the present climate of fiscal stress within higher education.

The often unrealistic expectations for the president by board members appears to relate, in part, to the question of trustee selection. Although we have no hard data at this point to back it up, it seemed to us in the interviews that trustees who perceived the trusteeship role largely in honorific, symbolic terms were those who also believed most strongly in the complete autonomy of the president, and most often blamed their college's troubles on presidential failings. On the other hand, board members who percieved their selection to the board as being related to specific skills they possessed tended to speak of failure as multi-causal in nature and of the responsibility for demise as shared

among all participants: administrators, faculty, and board. If these observations are correct, the implication seems clear. Individuals who are selected to a board of trustees chiefly on the basis of some specific skills or personal attributes (or access to skills or attributes), rather than primarily on the basis of some vague notions of prestige or local notoriety, should be more inclined toward higher involvement and hence more meaningful performance as a trustee. As a general rule, we believe it would have been impossible for as many trustees as did to come to the overly simplistic explanation of presidential shortcomings as the primary cause of institutional failure had they been more deeply aware of impinging circumstances and been more deeply involved in the major operational questions facing their colleges.

Danger Signals

An original goal of the research was to tie together critical events common to each of the four scenarios and label them as potential "danger signals" for trustees serving in institutions still relatively healthy. This proved impossible, however, due to the uniqueness of individual college circumstances and the inexorability with which demise occurred once underway. If anything, the data suggested that there are many roads leading rapidly to the same fate.

Nevertheless, the analysis has led to some important danger signals. But they are ones of a different kind from what we originally looked for and expected to be able to find. The danger signs encountered are subtle and psychological in nature and are directed chiefly at

trustee attitudes and assumptions about the trusteeship role. The major ones are:

• Limited perception of trusteeship. The trustee who views his role as chiefly honorific and his only important duty as the solicitation of funds, significantly underplays the potential of trusteeship for promoting survival and excellence.

• Limited involvement. Trustees who remain peripheral to the policy formulation and implementation processes within their institutions decouple themselves from the central managerical technology of decision making and ipso facto from the responsibilities for trusteeship specified in most college charters.

• View of the presidency as heroic. An assumption of presidential autonomy begets an assumption of presidential freedom which begets an expectation of presidential invincibility. Trustees who hold such assumptions tend to conceive of the ideal president in heroic terms and measure incumbents accordingly. Such assumptions also lead trustees to view their own role, by contrast, as only perfunctory.

• Toleration of turbidity. To the extent that responsible trusteeship is grounded in accurate, clear, and timely information, the acceptance of less from whatever sources of information exist may significantly undermine trustee effectiveness.

• Toleration of clear ineptitude. Just as the board which judges presidential performance from a perspective of unrealistic expectations has misallocated some of its own accountability for outcomes, so too the board which tolerates obvious unsuitability and ineptitude on the part of a president or his staff, also abdicates its responsibility.

Concluding Note

The reader is cautioned not to construe the data as a mandate for excessive trustee involvement in the daily operational problems of college administration, nor to assume a direct causal link between low policy involvement and small college failure. The data indicate that a multitude of unique and complex factors were involved in each scenario of decline and ultimate demise. The research merely suggests that one of the important factors contributing to failure may have been the rather loose connection between the operational realities of the colleges and the overall, timely awareness of these realities by board members. To say, as a final conclusion, that increased trustee involvement in college policy development and implementation will, in every case, prevent a small college from failure would be wrong. It is reasonable, however, to note that, to the extent low involvement is consistent with delayed or inadequate decisions (as in the cases studied), boards not tightly coupled with their institutions may be doing them a disservice.

When the external pressures are great and the margin of fiscal comfortability is small, as is true for many private colleges today, disaster can be precipitated suddenly by any number of vagaries. And decline, once begun, can occur rapidly. The board which fails to recognize this fact and fails to exercise its role in sharing leadership to promote institutional vitality is significantly undermining a college's ability to perform its mission and possibly even its chances to survive.

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March 19, 1976

The University of Toledo Center for the Study of Higher Education has been selected by the Association of Governing Boards of Universities and Colleges to conduct a study of the role played by lay governors in independent liberal arts colleges which recently have closed, merged with another institution, or joined a state system. The purpose of the present study is to determine the extent of trustee involvement in major institutional decisions in the two-year period immediately preceding the decision to change college status. As a result of the study, a list of danger signals and stages of institutional failure will be compiled. It is our hope that trustees currently serving in liberal arts colleges which are faced with severe difficulties will benefit directly from the results of the study.

You, as a former trustee of a private liberal arts college, have been selected to participate in the study. You are requested to complete the enclosed questionnaire which has been designed by the Center staff and approved by the Association of Governing Boards. Completion of the questionnaire will take a small amount of your time but your responses potentially are of great importance to trustees presently serving in independent colleges.

It is our hope that you will participate in the study, complete the questionnaire promptly and return your completed questionnaire to The University of Toledo. A stamped, self-addressed envelope is enclosed for your convenience.

Please read the instructions carefully since the format for response differs from section to section. You are guaranteed complete anonymity as an individual respondent. The questionnaire number will be used only to exclude your name from follow-up inquiries.

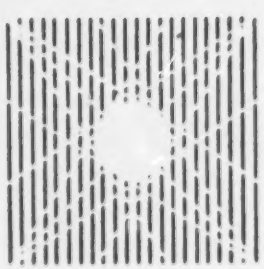
We ask that you examine both The University of Toledo guarantee of total confidentiality, and the endorsement of the Association of Governing Boards of Universities and Colleges which appear on the following page before completing the questionnaire.

Your cooperation is deeply appreciated.

Sincerely,

Vance T. Peterson
Associate Director

Rose Mary Healy
Research Associate



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This project is being conducted with the knowledge and support of the Association of Governing Boards of Universities and Colleges through its Studies Program underwritten by the Lilly Endowment, Inc. The results of the study will be shared with the Association.

We are taking strict precautions to insure the complete confidentiality of any information or points of view shared with us by former trustees of the college. At no time will the source of information be revealed to any other official we may contact. Individuals will not be named in any report of the results of our investigations, nor will any direct quotes be identified with specific names or titles of individuals in such a way that the source could be identified.

PART ONE

In items one through five, you are asked to provide certain personal information. Please indicate (✓) your response to each item.

1. **SEX:** MALE _____ FEMALE _____

2. **AGE:** UNDER 40 _____ 40-49 _____ 50-59 _____

   60-69 _____ OVER 70 _____

3. **RELIGIOUS AFFILIATION:** CATHOLIC _____ JEWISH _____

   PROTESTANT _____ NO FORMAL RELIGION _____ OTHER _____

4. **HIGHEST ACADEMIC DEGREE EARNED:**

   LESS THAN BACHELOR'S _____

   BACHELOR'S DEGREE _____ MASTER'S DEGREE _____

   DOCTORAL DEGREE _____ PROFESSIONAL DEGREE _____

5. **TOTAL ANNUAL FAMILY INCOME:** UNDER $10,000 _____

   $10,000 - $19,999 _____ $20,000 - $29,999 _____ $30,000 - $39,999 _____

   $40,000 - $49,999 _____ $50,000 - $99,999 _____ Over $100,000 _____

PART TWO

In items six through nine, you are asked to provide certain information pertaining to your individual activities as a college trustee. Please indicate (✓) your response to each item.

6. In the two-year period immediately preceding the decision to change college status, approximately how many **hours per year** did you, as an individual trustee, devote to fund-raising activities for this college?

   20 OR LESS _____ 21-50 _____ 51-80 _____ OVER 80 _____

7. In the two-year period immediately preceding the decision to change college status, did you, as an individual trustee, generate contributions, other than your own, to the college amounting to $20,000 per year or more?

   YES _____ NO _____

8. In the two-year period immediately preceding the decision to change college status, did you, as an individual trustee, make any effort to encourage students to attend this college?

YES _____ NO _____

9. In the two-year period immediately preceding the decision to change college status approximately how many **hours per year** did you, as an individual trustee, devote to college activities, other than fund-raising?

20 OR LESS _____ 21-50 _____ 51-80 _____ OVER 80 _____

PART THREE

In items ten through thirty-seven, you will find a list of possible decision areas in which the **full Board of Trustees** may have participated. You are asked to express your personal opinion regarding the amount of involvement of the Board of Trustees in institutional decisions in the two-year period immediately preceding the decision to change college status.

Following each item you will find a number scale ranging from one through five. Circling the number "1" will indicate extremely low involvement of the Board of Trustees in the decision area mentioned in the item. Circling the number "5" will indicate extremely high involvement of the Board of Trustees in the decision area mentioned in the item. Circling the numbers "2", "3" and "4" will indicate intermediate degrees of involvement of the Board of Trustees in the decision areas mentioned in the item.

DEVELOPMENT OF COLLEGE POLICY

In items ten through twenty-three, please circle the response which most closely describes the extent of involvement of the Board of Trustees in the **development of college policy** concerning:

10. the selection of a college president.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

11. the selection of college administrative officers other than the president.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

12. the selection of college faculty members.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

13. the selection of trustees.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

14. the determination of faculty and employee wage scales.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

15. the determination of employee retirement plans.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

16. the determination of standards for student admission.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

17. the development of college academic programs.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

18. the determination of regulations governing student life.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

19. the development of a college budget.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

20. the selection of a college investment portfolio.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

21. the determination of college fund-raising plans.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

22. the development of a long-range plan.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

23. the administration of alumni affairs.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

IMPLEMENTATION OF ESTABLISHED POLICY

In items twenty-four through thirty-seven, please circle the response which most closely describes the extent of involvement of the Board of Trustees in the **implementation of established policy** concerning:

24. the selection of a college president.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

25. the selection of college administrative officers other than the president.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

26. the selection of college faculty members.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

27. the selection of trustees.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

28. the determination of faculty and employee wage scales.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

29. the determination of employee retirement plans.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

30. the determination of standards for student admission.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

31. the development of college academic programs.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

32. the determination of regulations governing student life.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

33. the development of a college budget.

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34. the selection of a college investment portfolio.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

35. the determination of college fund-raising plans.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

36. the development of a long-range plan.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

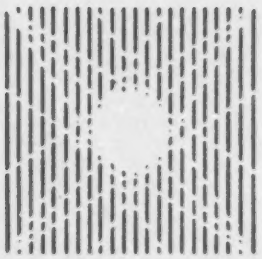
37. the administration of alumni affairs.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

Please return your completed questionnaire promptly. A stamped self-addressed envelope has been provided for your convenience.

The information which you have shared with us is absolutely essential to the success of our study. Your cooperation is most deeply appreciated.

Vance T. Peterson
Rose Mary Healy



The Center for the Study of Higher Education

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RF-292-376-3C

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Included in the study is a comparison of involvement of trustees who are successfully serving in independent colleges, with the extent of involvement of trustees who have served in colleges which have failed.

You, as a trustee of a liberal arts college, have been selected to participate in the study. You are requested to complete the enclosed questionnaire which has been designed by The University of Toledo staff and approved by the Association of Governing Boards. Completion of the questionnaire will take a small amount of your time but your responses are of great importance to many trustees presently serving in independent colleges.

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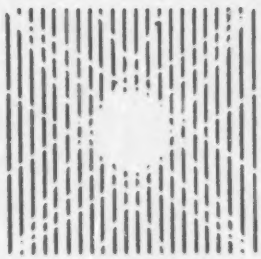

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LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

15. the determination of employee retirement plans.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

16. the determination of standards for student admission.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

17. the development of college academic programs.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

18. the determination of regulations governing student life.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

19. the development of a college budget.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

20. the selection of a college investment portfolio.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

21. the determination of college fund-raising plans.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

22. the development of a long-range plan.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

23. the administration of alumni affairs.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

IMPLEMENTATION OF ESTABLISHED POLICY

In items twenty-four through thirty-seven, please circle the response which most closely describes the extent of involvement of the Board of Trustees in the **implementation of established policy** concerning:

24. the selection of a college president.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

25. the selection of college administrative officers other than the president.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

26. the selection of college faculty members.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

27. the selection of trustees.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

28. the determination of faculty and employee wage scales.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

29. the determination of employee retirement plans.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

30. the determination of standards for student admission.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

31. the development of college academic programs.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

32. the determination of regulations governing student life.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

33. the development of a college budget.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

34. the selection of a college investment portfolio.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

35. the determination of college fund-raising plans.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

36. the development of a long-range plan.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

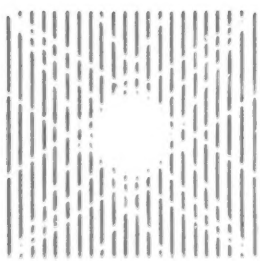
37. the administration of alumni affairs.

LOW INVOLVEMENT 1 2 3 4 5 HIGH INVOLVEMENT

Please return your completed questionnaire promptly. A stamped self-addressed envelope has been provided for your convenience.

The information which you have shared with us is absolutely essential to the success of our study. Your cooperation is most deeply appreciated.

Vance T. Peterson
Rose Mary Healy



The Center for the Study of Higher Education

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